



# State of Wisconsin

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STEPHEN R. MILLER  
CHIEF

May 27, 2009

## MEMORANDUM

**To:** Senator Holperin

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2009 SB 215** (LRB-2701/1) by **DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

May 27, 2009

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Paul Ziegler  
Department of Revenue

**SUBJECT:** Technical Memorandum on SB 215 Regarding A Personal Property Tax  
Exemption for Snowmobile Clubs

The Department of Revenue (DOR) has the following concerns regarding the bill:

In the absence of more exact terms, the proposed exemption could apply to a wide array of personal property, including items with only a tenuous connection to snowmobiling. To avoid the potential for the exemption to be unduly broadened, the proposal may be amended so that it applies to personal property owned by a non-profit snowmobile club that is used exclusively for snowmobiling.

The proposed exemption is placed under s. 70.11, which generally applies to real property. Placing the proposed exemption in this section would require a snowmobile club to file a property tax exemption request with the assessor. DOR recommends that the proposed exemption be placed under s. 70.111, which generally applies to exemptions for personal property.

The exemption would apply to snowmobile clubs exempt from taxation under section 501 (c) (3) of the Internal Revenue Code. Section (3) generally applies to non-profit organizations operated exclusively for religious, charitable, scientific, public safety testing, literary, or educational purposes; to foster national or international amateur sports competition, or for the prevention of cruelty to animals. Most snowmobile clubs may not qualify for exemption under this section. However, most of these clubs could be exempt from taxation under section 501 (c) (7) of the Internal Revenue Code, which applies to non-profit clubs organized for pleasure, recreation, and other non-profitable purposes.

The bill first applies to January 1, 2009 assessments. The proposed exemption, however, comes too late in the process to be accurately reflected on the 2009 assessment rolls. To avoid conflicts with existing 2009 assessments, DOR recommends that the proposal be effective for property tax assessments as of January 1, 2010.

If you have any questions regarding this technical memorandum, please contact Daniel Huegel at 266-5705.

cc: Senator Jim Holperin